

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 EA-07 IO-13 ISO-00 EB-07 SS-15 SP-02

L-03 INR-07 /077 W
----- 009951

R 161025Z SEP 76

FM AMEMBASSY KUWAIT
TO SECSTATE WASHDC 6254
DEPT OF TREASURY WASHDC
INFO AMEMBASSY BONN
AMEMBASSY MANILA
AMEMBASSY TOKYO
AMEMBASSY VIENNA
USMISSION USUN NEW YORK

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TREASURY FOR SECRETARY SIMON

E.O. 11652: N/A
TAGS: EFIN KU
SUBJECT: TREAS SEC SIMON LETTER TO ATEEQI RE IMF GOLD
SALES/TRUST FUND AND IFAD

REF: (A) STATE 227063, (B) KUWAIT 3153

1. I DELIVERED TEXT OF LETTER FROM TREAS SEC SIMON TO FINANCE
MINISTER ATEEQI (REF A) SEPT 16. ATEEQI VERY MUCH APPRECIATED
SIMON'S RESPONSE TO POINTS HE HAD EARLIER RAISED WITH ME (REF B).

2. HE SAID HAD TWO POINTS TO MAKE NOW, BUT WOULD DISCUSS QUESTION
OF GOLD SALES FURTHER WHEN HE MET SIMON IN MANILA. RE GOLD SALES,
ATEEQI SAID THAT US POSITION DESCRIBED IN LETTER WAS BASED ON
TOTALLY DIFFERENT CONCEPT THAN THAT HELD BY KUWAIT, AND, TAKEN IN
THIS CONTEXT, IT WAS QUITE LOGICAL. HOWEVER, GOK DID NOT REGARD
GOLD AS BELONGING TO IMF, BUT RATHER TO MEMBER COUNTRIES.
MOREOVER, KUWAIT HELD TO PRINCIPLE THAT IT BELONGED TO
CATEGORY OF DEVELOPING COUNTRIES AND THEREFORE DID NOT WANT TO

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BE DELETED FROM LIST. I POINTED OUT THAT APPROACH SUGGESTED BY

SEC SIMON MADE IT POSSIBLE TO AVOID QUESTIONING THIS PRINCIPLE.

3. SECOND POINT CONCERNED INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD). ATEEQI SAID THIS MATTER WAS NOT IN KUWAIT'S HANDS, BUT WAS RESPONSIBILITY OF OPEC COUNCIL OF MINISTERS. HE RECALLED UNANIMOUS OPEC DECISION NOT TO EXCEED A CONTRIBUTION OF \$400 MILLION, AND THIS ONLY IF INDUSTRIALIZED NATIONS CONTRIBUTED \$600 MILLION. BESIDES, REMAINDER OF OPEC DEVELOPMENT FUND OF \$800 MILLION WAS ALREADY EARMARKED. HE ASKED AGAIN HOW JAPAN COULD ONLY CONTRIBUTE \$50 MILLION AND FRG ONLY 30 MILLION, WHILE QATAR COULD CONTRIBUTE \$20 MILLION?

4. ATEEQI SAID HE WAS AWARE OF SECRETARY KISSINGER'S LETTER RE IFAD TO THE CROWN PRINCE/PRIME MINISTER. HE INDICATED THAT OPEC MINISTERS OF FINANCE WOULD DISCUSS IFAD QUESTION WHEN THEY GATHERED IN MANILA FOR IMF MEETING.

5. COMMENT: ATEEQI SEEMED IMPRESSED BY SEC SIMON'S ARGUMENTATION ON THE GOLD SALES QUESTION. OTHER ENCOURAGING POINT WHICH EMERGED FROM OUR DISCUSSION WAS FACT THAT OPEC FINANCE MINISTERS WOULD REVIEW IFAD PROBLEM IN MANILA, WHICH SEEMS TO BE WHERE WE SHOULD CONCENTRATE OUR GUNS ON THIS MATTER.
MAESTRONE

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOLD, SALES, DIPLOMATIC COMMUNICATIONS, TRUST FUNDS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KUWAIT04445
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760350-0558
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760954/aaaabubk.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 227063, 76 KUWAIT 3153
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 27 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 APR 2004 by BoyleJA>; APPROVED <27 JUL 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TREAS SEC SIMON LETTER TO ATEEQI RE IMF GOLD SALES/TRUST FUND AND IFAD
TAGS: EFIN, KU, IMF, (SIMON, WILLIAM E)
To: STATE TRSY
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006